COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BEAVER-ELKHORN WATER

DISTRICT FOR (1) CERTIFICATE OF PUBLIC

CONVENIENCE AND NECESSITY
CONSTRUCTION - TO UPGRADE WATER TREATMENT

PLANT/WATER LINE EXTENSIONS PURSUANT TO

KRS 278.020(1); (2) AUTHORIZATION OF

BORROWING FROM THE COMMONWEALTH OF

KENTUCKY, KENTUCKY INFRASTRUCTURE

AUTHORITY WATER RESOURCES LOAN FUND

PURSUANT TO KRS 278.300; (3) AUTHORITY TO

INCREASE RATES PURSUANT TO 807 KAR 5:001,

SECTION 10

ORDER

On March 30, 1992, Beaver-Elkhorn Water District ("Beaver-Elkhorn") filed an application for a Certificate of Public Convenience and Necessity, for approval of its plan of financing and for adjustment of its water service rates. An interim order approving Phase I of the proposed construction and interim financing was granted on September 29, 1992. On April 19, 1993, the Commission issued an Order dismissing the case without prejudice because Beaver-Elkhorn had been unable to finalize its financing agreement with Kentucky Infrastructure Authority ("KIA"). The Commission found it could not approve Phases II and III of the project until financial arrangements with KIA were final. On April 23, 1993, Beaver-Elkhorn filed a motion to set aside the Commission's Order of April 19, 1993 and to reopen this case. As a basis for that motion, Beaver-Elkhorn stated that KIA would notify the Commission immediately after the reallocation of the

original funding is made to Phases II and III at the KIA board meeting on May 5, 1993. As of this date, the Commission has received no indication from KIA or Beaver-Elkhorn that a final Financing Agreement has been executed and approved by KIA.

After considering the motion to set aside and reopen the case and the evidence of record, and being otherwise sufficiently advised, the Commission finds that good cause has been shown to reopen this proceeding to consider Beaver-Elkhorn's financing plan with respect to Phases II and III of the proposed construction.

IT IS THEREFORE ORDERED that:

- 1. Beaver-Elkhorn's motion to reopen this case be and it hereby is granted.
- 2. Beaver-Elkhorn's motion to set aside the Order dated April 19, 1993 be and it hereby is denied.
- 3. Beaver-Elkhorn shall file within 20 days of the date of this Order either the final financing approval documents issued by KIA or, if final approval has not been received, a supplement to the record setting forth the status of its financing application with KIA.

Done at Frankfort, Kentucky, this 13th day of May, 1993.

PUBLIC SERVICE COMMISSION

bairman

Vice Chairman

Commissioner

ATTEST:

Executive Director